

VZCZCXYZ0004  
PP RUEHWEB

DE RUEHTG #0469/01 0751738  
ZNY CCCCC ZZH  
P 161738Z MAR 07  
FM AMEMBASSY TEGUCIGALPA  
TO RUEHC/SECSTATE WASHDC PRIORITY 5248  
INFO RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE

C O N F I D E N T I A L TEGUCIGALPA 000469

SIPDIS

SIPDIS

E.O. 12958: DECL: 03/13/2017  
TAGS: [PGOV](#) [HO](#)  
SUBJECT: HONDURAN NATIONAL PARTY CONVENTION REFORMS FALL  
SHORT OF EXPECTATIONS

Classified By: Acting Political Counselor Frank Penirian. Reason: 1.4(d)

1. (C) SUMMARY: The National Party (NP) held its annual convention in San Pedro Sula on March 10-11, 2007. Before the convention, there was speculation the NP Party President, Pepe Lobo, would be pressured to resign from the Presidency in order to run fairly in the next national elections in 2009 and/or dismiss former President Rafael Callejas and Osvaldo Ramos Soto from the Political and Judicial Committees, respectively, to make room for a new, young leader. Lobo did neither. Instead, the NP instituted a number of structural reforms in order to open and broaden the party base and increase party discipline. Without resolving the split between Lobo and Callejas, it appears that the NP is not on a path of real reform but rather just closing ranks. END SUMMARY.

2. (C) The dispute between the two major factions of the National Party (NP) was not resolved at its annual convention in San Pedro Sula on March 10-11, 2007. One group is led by party boss and former President, Rafael Callejas, who still enjoys popular support despite corruption scandals including the revocation of his U.S. visa last year. The other group is headed by NP President Pepe Lobo, who lost to Mel Zelaya in the 2005 national elections. Callejas and his old guard supporters such as Osvaldo Ramos Soto do not like Lobo because they believe he cannot win in the future either and because members of Lobo's inner circle were involved in a recent scandal involving funneling Congressional funds to their NGOs. On the flipside, Lobo and his supporters were angered when Tonio Rivera, minority deputy leader in Congress, wanted to become the minority leader in place of Rodolfo Irias Navas, whom Lobo supports. Callejas is supporting candidates like Mario Canahuati and Oscar Alvarez, not for change but to keep control of the party. Besides himself, Lobo supports such candidates as Roberto Ramon Castillo (cousin of Callejas), Jesus Flores, Mario Facusse (cousin of former President Carlos Flores) and Africo Madrid, but they have little support.

3. (C) Before the convention, some were calling for Lobo to resign from his position as President of the NP in order to run fairly in the 2009 elections; others wondered whether Lobo would remove Callejas as head of the Political Committee and Soto as head of the Judicial Committee to make room for a new leader. Lobo did not make any of these moves at the convention. The membership of the two committees were increased, which may diminish some of Callejas' control, but Callejas is likely to continue to undermine Lobo behind the scenes. Allying himself with Miguel Pastor, who lost to Lobo in the 2005 primary elections and has many legal problems in Tegucigalpa from when he was mayor of the city, Lobo and the other party leaders attempted to give the impression of unity at the convention despite this major internal dispute.

4. (U) At the convention, the NP expanded the numbers of the

central committee from 15 (nine for Lobo and six for Pastor as decided at the 2005 convention) to 25 in order to open up the party at the top. The number of delegates were increased from 128 to 500 to represent all 298 municipalities in order to broaden the base of the party. Representation of women and youth were increased, and independent candidacies, political alliances and voting from overseas are now allowed. Sanctions against disloyal party members, called *aval partidario*, were strengthened. Finally, NP committees at the local level were established.

15. (C) COMMENT: Despite these reforms to open and broaden the NP, it appears that the party simply is closing ranks. During the convention, Lobo, perhaps out of fear of Callejas, did not clear the way for a new young candidate akin to Callejas' MONARCA (Movimiento Nacional de Rafael Callejas) in the 1980s, and neither are there any promising new candidates on the horizon. One possibility for an energetic candidate would be the current mayor of Tegucigalpa, Ricardo Alvarez, but, because of his family ties to Callejas, he likely would not engender support from Lobo. (NOTE: Alvarez enjoys considerable popular support nationally, but vows to seek a second mayoral term as he maneuvers away from the old guard. END NOTE.) Other potential candidates have little support or are riddled with corruption charges. Post believes that the status quo, an election between National Pepe Lobo and Liberal Roberto Michelletti in 2009, would result in an even higher rate of voter absenteeism than in 2005, which was about 50%, and open the door potentially to a populist movement. Jorge Aguilar, President of one of the small parties, PINU, believes that both the national and liberal parties simply are closing ranks as they are not ideologically based, collude with one another on issues such as corruption, and are supported by the same economic powers, like a single party system. Because the dispute between

Callejas and Lobo at the convention was not resolved, the prospects for meaningful NP change are not promising. END COMMENT.  
FORD